Centre Infrastructure Development Scheme, in order to expand the production base of the textiles and garment sector.

(v) The fiscal duty structure has been generally rationalised to achieve growth and maximum value addition within the country. Except for mandatory excise duty on man-made filament yarns and man-made staple fibres, the whole value addition chain has been given the option of excise exemption.

(vi) Import of specified textiles and garment machinery has been allowed at a concessional rate of customs duty to encourage investment and to make our textiles product competitive in the global market. The cost of machinery has also been reduced through fiscal policy measures.

(vii) The Duty-free import of 21 items of trimmings and embellishment items is allowed to garment exporters. This can be upto 3% of their actual export performance during the previous year.

(viii) For the speedy modernisation of the textiles processing sector, Government has introduced, *w.e.f.* 20.4.2005, a credit linked capital subsidy scheme @10% under TUFS, in addition to the existing 5% interest reimbursement.

(c) to (f) TUFS has been extended beyond 31.3.2007 subject to modifications, which are under process, relating to the rationalization of financial and technical norms of the Scheme.

High level meeting under PM to boost textile and garment sectors

1824. DR. K. MALAISAMY: Will the Minister of TEXTILES be pleased to state:

(a) whether with a view to boost the textile and garment sector, there was a high level meeting under the leadership of Prime Minister in the recent past;

(b) if so, the major deliberations and decisions taken in the matter of priority of plan allocation, comprehensive Fibre Policy, etc.; and

(c) by when the effect of these decisions would be felt and the outcome known?

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI E.V.K.S. ELANGOVAN): (a) Yes, Sir.

(b) and (c) A Statement is enclosed.

Statement

Details of decisions taken in the matter of priority of Plan allocation, fibre policy etc.

The Action Plan for the growth of the Textiles and Garments was recently considered by the High Level Commiittee on Manufacturing (HLCM) under the Chairmanship of the Prime Minister. The HLCM, *inter alia*, deliberated over the following issues:

On the issue of availability of textiles machinery, it has been decided to visit few countries having major textile machinery manufacturers to explain them about

the opportunities of investment in India. As there are only six major textile machine manufacturers in the world, they can be easily targeted to attract Foreign Direct Investment.

Regarding the issue of rupee appreciation alongwith high interest rates that has led to a deceleration in the garment exports, it has been decided to form a small group to look into the causes for recent deceleration in exports including rupee appreciation and other macro economic policies on the competitiveness of the industry and suggest measures to address the issue expeditiously.

In addition, the Employment-linked Skill Development Scheme, known as "NATIJA", prepared by the Ministry of Textiles has been decided to be finalized soon for expeditious implementation. The flagship Schemes of the Ministry, namely Technology Upgradation Fund Scheme (TUFS) and the Scheme for Integrated Textiles Parks (SITP) have been decided to be continued with adequate funds in the Eleventh Plan.

A gist of the decisions taken by the HLCM is as under:

(i) The Ministry of Finance, in consultation with the Ministry of Textiles and the National Manufacturing Competitiveness Council (NMCC), would expeditiously consider the fiscal proposals required for textile sector.

(ii) Top priority is to be given within the Plan programmes to Apparel and Garment Sector and at least 1/3rd of the new clusters under SITP should be focussed on garment/made up product.

(iii) An Export Group is to be formed by the Empowered Sub Committee of the HLCM for the preparation of a long term Comprehensive Fibre Policy (natural and man-made) for steady availability of fibre.

(iv) The two important schemes, *viz.* Techonology upgradation Fund Scheme and the Scheme for Integrated Textile Parks would be continued and provided with adequate funds in the Eleventh Five Year Plan to ensure robust growth of the Textile and Garment Sector.

(v) The proposal on the manpower development and bringing in flexibility in labour regulations for the garment sector is to be worked out in a time bound manner.

(vi) A High Level Committee will be constituted to look into the problems of new investment and capacity building in Textile Machine Manufacturing. The issue of mounting High Level delegations for attracting Foreign Direct Investment would be considered by this Committee.

(vii) The proposal of the Ministry of Textiles for Technical Textiles based on the Expert Committee Report will be considered for approval on priority. The recommendations of the Expert Committee report should be implemented within six months.

(viii) An Inter-Departmental Task Force is to be constituted for increasing growth and consumption of Technical Textile products. The Committee will also recommend regulatory and non-regulatory measures in this regard.

The NMCC in consultation with the Ministry of Textiles would work out the details of the composition of Task Force to ensure that it is effective.

(ix) A small group is to be formed to look at the implication of recent macro economic policy developments including recent rupee appreciation on the competitiveness of the Indian Textile industry and suitable measures to be taken to mitigate the situation expeditiously.

FDI in textiles

1825. SHRI RAVULA CHANDRA SEKAR REDDY: Will the Minister of TEXTILES be pleased to state:

(a) whether it is a fact that FDI is to flow into textiles in India;

(b) if so, the expected FDI from each country into textiles;

(c) whether FIIs are also keen in investing in home textile firms; and

(d) if so, the response of Government thereto?

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI E.V.K.S. ELANGOVAN): (a) and (b) Yes, Sir. As per the latest data available from Department of Industrial Policy and Promotion (DIPP), Ministry of Commerce and Industry, the total cumulative inflow of Foreign Direct Investment (FDI) from various countries into the textiles sector during the Tenth Plan period (from April 2002 to March, 2007) was Rs.1473.23 crore., This accounts for 1.24 percentage share in the total cumulative inflow of FDI in the country, which stood at Rs.118562.09 crore during the same period.

(c) and (d) To hike the advantage of the growing Indian Capital Market, Foreign Institutional Investors (FIIs) are investing in the economy. At present, the Indian Capital Market is buoyant with a strong regulatory framework conducive to attract larger long term FII participation.

National silkworm seed regulatory authority

1826. SHRI RAJKUMAR DHOOT: Will the Minister of TEXTILES be pleased to state:

(a) whether it is a fact that Government propose to set up a National Silkworm Seed Regulatory Authority;

(b) if so, the details thereof alongwith its responsibilities and powers;

(c) whether Government also propose to give due weightage to silk producing States; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI E.V.K.S. ELANGOVAN): (a) and (b) Yes, Sir, As per the provisions of Central Silk Board (Amendment) Act, 2006, Central Silkworm Seed Committee has been constituted *vide* Notification dated 10.8.2007. The Committee shall be responsible for–